



**MEETING MINUTES**

**HANFORD ADVISORY BOARD (HAB, Board)**

**Budgets and Contracts (BCC)**

*April 14, 2022*

*Virtual Meeting via Microsoft Teams*

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*This is only a summary of issues and actions discussed at this meeting. It may not represent the fullness of represented ideas or opinions, and it should not be used as a substitute for actual public involvement or public comment on any particular topic unless specifically identified as such.*

## **Opening**

Ruth Nicholson, HAB Facilitator, welcomed meeting participants and notified the participants that the meeting was being recorded.

Gary Younger, US Department of Energy (DOE), serving as the Assistant Deputy Designated Federal Officer, announced that this meeting was being held in accordance with the Federal Advisory Committee Act (FACA).

## ***Meeting Minute Approval***

The committee adopted its meeting minutes for its February and March meetings without comment.

## ***Committee Leadership Elections***

Ruth called for committee leadership nominations. Tom Galioto, Public at Large and BCC chair, was nominated to resume his role as committee chair, while Emmitt Jackson, Non-Union, Non-Management Employees, was nominated to continue as Vice Chair.

Tom confirmed that he was willing to serve. Emmitt was not present for that meeting, but confirmed before the meeting that, were there no other nominations, that he would be willing to serve for the remainder of his membership term.

Each were elected to their respective seats.

## **Round Robin Discussion**

Tom Galioto introduced the round robin topic: How can BCC improve its relationship with DOE? He invited input from all participants.

Gerry Pollet, Heart of America Northwest, explained that he just finished a workshop his organization was holding on the fiscal year (FY) 2024 Hanford cleanup priorities. He stated that there was a lot of public concern around the lack of disclosure by DOE on budget matters. He explained that, since the HAB passed its cleanup priorities advice in March, DOE had published an updated comparison of FY22 congressional appropriations. It showed that many areas identified as priorities in the HAB's advice were not being funded or were seeing reduced funding, such as a reduction of River Corridor funding 46%. For there to be an improvement in the relationship with DOE, Gerry suggested that there needed to be an open dialogue around budgets. He noted that, in the past, DOE held conversations about its priorities with the BCC, which were both beneficial and impactful, leading to understanding between the HAB and DOE. Gerry suggested that, to improve relations, DOE Headquarters staff should join in discussions with BCC on matters such as the response to the HAB's cleanup priorities advice.

Chris Sutton, Public at Large, stated that his idea was similar to Gerry's. He felt that the BCC could develop better advice if there were conversations with DOE. He also felt that more detailed information being available, such as more detailed data in the project breakdown structure (PBS), would assist in advice development. As an example, when congressional appropriations were established, he would like to see how those would be distributed to the second level of the PBS.

Liz Mattson, Hanford Challenge, suggested that relationships could improve by holding more meetings, which would have the effect of maintaining relationships and keeping conversations flowing, even if the committee and DOE did not agree on all points. She also agreed that the committee would benefit from more conversation with DOE, feeling that the committee was often talking to itself when it met. She

stated that DOE leadership used to ask for the BCC's comments on matters and asked the BCC to be a voice in cleanup, but that no longer seemed to be the case.

Dan Solitz, Oregon Hanford Cleanup Board, wondered if the BCC might be able to dig in and help DOE look into hotel costs to see if anything could be improved.

Steve Wiegman, Public at Large, stated that he observed the relationship between BCC and DOE change over the years, but did not know that there was anything that BCC could ask for that would result in the sort of change it was hoping for. He felt that the things that the committee asked for came off as an annoyance, presenting a Catch-22 scenario.

Tom suggested maintaining a cooperative teamworking attitude on the BCC with DOE locally. He hoped to get supportive communications, noting that it was often difficult to commit the right people to speak to the committee about its interests. He wanted to maintain the stance of assuming noble intent in both directions, stating that could lead to finding a common ground between the parties.

Steve Anderson, Grant and Franklin Counties, agreed that the best path would be to have a "sit down" discussion and make it clear that the committee was looking to be helpful.

### **Hanford Advisory Board Fiscal Year 2023 Work Plan and Calendar**

Gary Younger provided a "cliff notes" version of a presentation on the HAB's FY23 work plan and calendar that had been provided to each of the others HAB committees throughout the week, recognizing that each BCC participant had seen it during a previous committee meeting. He noted that the draft work plan and calendar were intended to serve as a "conversation starter." He explained that he was taking input from each committee and the regulatory agencies, which would result in a new draft for presentation to the HAB's leadership in May.

He explained that the calendar was significantly different that it was in FY22, designed with the intention of changing the meeting schedule to have more frequent, but shorter meetings. A major component of the Board meeting design was an evening presentation session for accessibility by the public. Dialogue was a goal in meetings overall, rather than PowerPoint presentations. Committee of the Whole (COTW) meetings were scheduled regularly for a consistent flow of discussion, while being flexible to adapt to site issues. Gary invited questions on the calendar.

Tom Galioto asked about agency management presence in the Board meetings. Gary explained they would be present for the evening session, which functioned much like the morning portions of Board meetings under the current work plan.

Gary reviewed the work plan, noting that little in the structure of the document had changed from the one in place for FY22. The committee considered its listed work plan items.

Dan Solitz considered adding a means of tracking the Site's Indefinite Delivery/Indefinite Quantity (ID/IQ) contracting process, including how it was being applied and the results seen to date. He also asked about contract-specific incentive pay processes.

In response, Steve Wiegman noted that incentive pay process used to be called an award fee. He felt that, as the committee made suggestions in the work plan development process, it should consider how it should work through a space where DOE had made it clear that it did not want the HAB involved. He wanted to find a way to work through such subjects in a non-antagonistic way. He expected that DOE would be willing to talk about system and how they worked, but specific contracts were out of the HAB's purview and could include business confidential or sensitive data.

Gerry Pollet did not agree that contracts were outside of the HAB's purview. He stated that the HAB was a cleanup board, and those contracts were the vehicle through which cleanup was achieved. He recalled that traditionally the HAB was involved in discussing requests for proposal (RFP) and had accolades from DOE for improving contracts. He felt that it was important that, when discussing how cleanup was accomplished, to discuss contract structure, how it was applied, and how incentives were applied.

Regarding the work plan, Gerry noted that the Executive Issues Committee (EIC) meetings should not be closed, as that was not comport with the HAB's ground rules and Washington Open Public Meetings Act. That item was flagged for further discussion.

Tom noted that he had additional work plan suggestions that he would be sending separately.

Chris Sutton suggested a topic for contingency and risk in estimating, stating that was critical for an understanding of scope, schedule, and cost.

Tom noted that, should any members have additional questions or concerns for him to bring up at the Leadership Workshop, those could be sent to him any time prior to the meeting.

### **2022 Hanford Lifecycle Scope, Schedule, and Cost Report (LSSCR)**

Chris Sutton led a presentation on the *2022 Hanford Lifecycle Scope, Schedule, and Cost Report* (LSSCR). He explained that the report itself was about 240 pages long and packed full of tables, charts, and other data. At best, he stated, he would only be able to touch on points of interest. He noted that the 2022 report, as well as previous reports, were available [online](#).

He explained that the report was developed in August of 2021, so any events beyond that that were not considered within the report. He noted that there was presently an active public comment period for the report and asked that interested committee members send comments to himself or Tom Galioto for compilation and submission.

Chris explained that the LSSCR was required by Hanford Site milestones and that the next report would probably be released in early 2025. There were two primary sets of numbers featured in the report: the baseline planning case, at a total of \$300.2 billion over the lifetime of the mission through 2078, and a high range estimate at \$640.6 billion, which incorporated the risk due to high level of technical and schedule uncertainty.

Chris provided a high-level overview of how PBSs work, explaining that a PBS is a grouping of work activities that incorporate scope, schedule, and cost. He noted that concept was essential for understanding how cost estimates were broken out. He explained that the work breakdown structure (WBS) shows how higher-level work breaks down to lower-level components. Risk calculations started at the lowest levels and were compiled as it moved into the upper levels.

He explained that the LSSCR calculated cost and schedule risk for each PBS, accounting for all the lower-level risks. However, it did not define all the aspects of risk that were compiled into the higher-level numbers. He noted that costs were escalated across the mission lifecycle, though it was unclear how the rates were applied.

Chris reviewed the PBSs for DOE Richland Operations (DOE-RL) and Office of River Protection (DOE-ORP). He noted that the funding was defined down to level three of the PBS, though in complex PBSs it could go down six levels. That lowest level was where risk, including cost and schedule uncertainty, started and it rolled up cumulatively.

He reviewed graphs that showed escalated costs across the project for both low and high projections. He explained those estimates were built on the assumption of a baseline of funding being provided to the Site that was lower than what was being received. The high range estimate incorporated cost and schedule risk and that complexity resulted in more than double the cost, with significant spending in the later years.

He noted that the Direct-Feed Low-Activity Waste (DFLAW) project was the biggest cost by a significant margin. The other Waste Treatment Plant (WTP) facilities were represented by construction costs, but not operation. Chris reviewed a breakdown of the costs associated with DOE-RL and DOE-ORP PBSs, noting that the DOE-ORP scope had the most variance between the high and low range estimates. That was due to major uncertainties associated with tanks, DFLAW, and high-level waste processing. Additionally, he noted that workforce salaries were likely the biggest cost driver on the DOE-RL side, while the DOE-ORL side has significantly more capital projects.

He explained that the report detailed the Site cleanup across four major areas: the Central Plateau, River Corridor, tanks, and mission support. He reviewed areas of uncertainty that contributed to high-range cost projections, such as milestone negotiations and assumptions of Waste Isolation Pilot Plant (WIPP) availability.

He reviewed the tank waste treatment aspects, nothing that was the item with the biggest cost discrepancy between the high- and low-range estimates. The low range was estimated around \$200 billion, while the high range was nearly \$500 billion. He noted that the report indicated that supplemental treatment assumed to be necessary and had costs applied, though there was not a definitive treatment technology established for it. He explained that the facilities associated with that treatment mission had a 40-year design life; were the mission not completed in that time, the facilities could require major upgrades or replacement. He stated that the mission would need to be completed by that time or it would face the associated cost and schedule impacts.

He explained that there was a cost profile for Richland community and regulatory support, which included the HAB. He noted there was little escalation applied for that item.

### *Committee Discussion*

Tom Galioto thanked Chris for his work in preparing a summary of the report. He asked if it was known which organization within DOE prepared the report. Chris did not know, but assumed it was likely contracted out.

Steve Wiegman was interested in how the LSSCR aligned with system planning documents. Chris explained that was not discussed at length in the document, so the extent to which they aligned was unknown. However, it was stated that the baseline scenario in *System Plan 9* was used as the basis for the cost estimates in the LSSCR. Chris stated that when comparing the cost estimate profiles the low range estimates were similar, with some exceptions.

Dan Solitz thought that Chris's presentation may be useful for new HAB members and hoped that the presentation could be isolated in the recording. Chris noted that he did not include anything from about the report's appendices. He felt that *Appendix A* could be useful for those unfamiliar with the Resource Conservation and Recovery Act (RCRA) or Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), while *Appendix B* could be useful for learning about plausible treatment scenarios where there was no Record of Decision (ROD).

Anne McCarnet, US Environmental Protection Agency (EPA), provided her thoughts. She explained that EPA recently provided its comments to DOE on the report, which were targeted in the hopes of making

the report better and more transparent in the future. Primarily, EPA found the level of detail lacking, and as a result, could not provide project-level input. As Anne explained, this was because most projects are only included as a single cost or are combined with other projects, schedules were discussed very broadly without reference, and cost and schedule uncertainty was applied without a clear explanation of basis and without consistency between various contractor scopes. Chris agreed with EPA's comments. He felt that the biggest deficiency with the report was the lack of information on how cost and schedule uncertainty was derived.

Dan noted that he was interested by the assumptions on DFLAW melter capacity listen in the report. He was interested in learning more from a subject matter expert on how that compared to the Savannah River Site and what lessons could be learned from the implementation at that site, such as barriers to efficiency.

The committee considered what format might be used for the committee or Board to provide comments on the report. Were a consensus product on the topic to be pursued, a more base-level presentation would need to be given to the full Board level in order to gain buy-in from members that were not as well-versed in budgets and contracts topics or terminology. The next opportunity for the full Board to meet would have been in the following June. In consideration of the barriers to consensus, Tom considered putting together a letter that could be provided from the BCC members' perspective as stakeholders, rather than representatives of the HAB or its committees, which could later be presented to the HAB as information.

### **Committee Business**

Tom Galioto noted that, in the interest of time, he would be updating the BCC's action items list (*Attachment 9*) individually.

For the committee members that were not aware of EIC topics of conversation, he reviewed an idea that had been discussed around a potential restructuring of HAB committees. He explained that the topic was being discussed by HAB leadership with DOE as a means to examine how viable the present committee structure was, considering the Site's shift from construction to operations. He noted that another committee chair drafted a Venn diagram (*Attachment 8*) to examine interactions and interrelations of HAB committees and their work scopes.

Additionally, Tom discussed the status of the HAB membership packet. He explained that in the HAB faced disruptive challenges related to quorum during its last meeting in 2021, and should the packet be delayed again that year, the HAB would likely face similar issues. The membership terms were scheduled to begin at the start of the October, though membership terms required renewal as of the of June. It was anticipated that that membership packet approval could be delayed. Additionally, six-year term limit for HAB members was to be more strongly enforced by DOE Headquarters, resulting in several long-standing HAB members leaving the Board at the end of June. It was Tom's understanding, however, that everything possible was being done to mitigate the impact to Board operations in that time span.

Gary confirmed mitigating actions were being taken. He stated that he was working with EPA and the Washington State Department of Ecology (Ecology) to implement corrective measures going forward, such as closing the gap between membership appointment start and end dates and establishing plans to start recruitment sooner for the following year's packet.

Ryan Miller, Ecology, asked if there was any news on a request for temporary or administrative membership extensions beyond June, or other means of filling membership seats over the summer. Gary explained that it was a DOE Complex-wide problem that resulted in a recommendation from the Environmental Management Site-Specific Advisory Board (EMSSAB) collectively. The recommendation letter was sent to the Secretary of Energy and that the results it might bring were not yet known.

## **Meeting Recording**

<https://youtu.be/4Sko5t6LC4M>

## **Attachments**

[Attachment 1: Deputy Designated Federal Officer Slide](#)

[Attachment 2: Meeting Agenda](#)

[Attachment 3: Draft February BCC Meeting Minutes](#)

[Attachment 4: Draft March BCC Meeting Minutes](#)

[Attachment 5: Draft Fiscal Year \(FY\) 2023 HAB Work Plan](#)

[Attachment 6: Draft FY23 HAB Calendar](#)

[Attachment 7: 2022 Hanford Lifecycle Scope, Schedule and Cost Report](#)

[Attachment 8: HAB Committee Work Plan Venn Diagram](#)

[Attachment 9: February BCC Action Items List](#)

[Attachment 10: HAB Issue Manager Team Listing](#)

## **Attendees**

### **Board Members and Alternates:**

Dan Solitz, Primary	Gerry Pollet, Primary	Steve Anderson, Primary
Tom Galioto, Primary	Chris Sutton, Alternate	Liz Mattson, Alternate

### **Others:**

Gary Younger, DOE	Ginger Wireman, Ecology	Abigail Zilar, AttainX
JoLynn Garcia, DOE	Ryan Miller, Ecology	Dana Cowley, HMIS
	Spencer Good, Ecology	Debra Yergen, HMIS
	Anne McCartney, EPA	Patrick Conrad, HMIS
	Roberto Armijo, EPA	KB
	Earl Fordham, WA Department of Health	Miya Burke, Hanford Challenge
		Josh Patnaude, HAB Facil.
		Olivia Wilcox, HAB Facil.
		Ruth Nicholson, HAB Facil.

**Note:** Participants for this virtual meeting were asked to sign in with their name and affiliation in the chat box of Microsoft Teams. Not all attendees shared this information. The attendance list reflects what information was collected at the meeting.